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June 29, 2004

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**Ms. Marlene Dortch  
Secretary Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554**

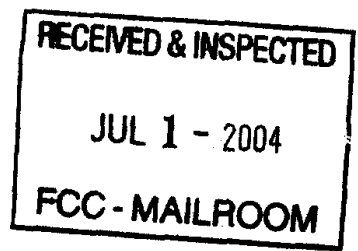
Dear Ms. Dortch:

Enclosed is our report on CommuniGroup, Inc.'s compliance with the specified requirements listed in the attached Exhibit I, required by the FCC pursuant to CC Docket 96-128.

Sincerely,

Francis I. Huffman, CPA

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CommuniGroup, Inc.

Federal Communications Commission  
CC Docket No. 96-128  
Attestation Engagement



(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

Luffey  
Huffman  
& Monroe

Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
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### Independent Accountants' Report

**CommuniGroup, Inc.**  
**700 South West Street**  
**Jackson, MS 39201**

We have examined CommuniGroup, Inc.'s (CommuniGroup's) compliance with the specified requirements listed in the attached Exhibit I, which are required to be implemented by the Federal Communications Commission (FCC) pursuant to CC Docket No. 96-128 regarding The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 as of July 1, 2004. Management is responsible for CommuniGroup's compliance with the specified requirements. Our responsibility is to express an opinion on CommuniGroup's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about CommuniGroup's compliance with the specified requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on CommuniGroup's compliance with the specified requirements.

In our opinion, CommuniGroup has procedures and processes in place to comply, in all material respects, with the specified requirements listed in the attached Exhibit I that take effect July 1, 2004.

This report is intended solely for the information and use of management of CommuniGroup, the FCC and certain Payphone Service Providers and is not intended to be and should not be used by anyone other than those specified parties.

(A Professional Accounting Corporation)

**June 25, 2004**

**Specified Compliance Requirements  
Federal Communications Commission CC Docket No. 96-128  
The Pay Telephone Reclassification and Compensation Provisions of the  
Telecommunications Act of 1996**

**1. CommuniGroup's (CGI) call tracking system and related procedures accurately track calls to completion**

All of CGI's payphone compensation traffic is recorded on our DMS-250 toll switch or on our dedicated processor calling card platform; the CGI local switch (a DMS 500) does not act in any interexchange capacity. CGI currently originates toll-free traffic on our own facilities-based services in Mississippi, Louisiana, Tennessee, Alabama, and Arkansas. For toll-free calls originating outside of these areas, we use off-net carriers of our selection, currently MCI (0222) and Global Crossing (0444). CGI does not provide any wholesale transit services to other SBRs at this time.

Monthly, we search completed toll-free/800 access code payphone calls that directly terminate to the called party (calls recorded with information digits 27, 29 or 70 with an answer type of 02 (software answer - voice detected); 04 (hardware answer); 10 (IMT software answer); 11 (IMT hardware answer) and terminating either to the end user or to our calling card platform) using programs developed internally on MSS software. This software reads an entire month of CDR files and extracts payphone call records based on the criteria described above and creates an ASCII file that is imported into a database. Additionally for the calling card records, we search this platform's call records as well, for answered calls with the same information digits described above.

The entire CDR record is captured and relevant information (time, date, ANI, dialed number/universal access number, toll-free field, originating trunk group, etc.) is placed into a storage file to wait for quarterly compensation reporting. This process details a report that indicates the date, day of week, and counts of DMS and calling card calls.

Quarterly, we process the PSP diskettes/CD-ROMs directly at CGI using our internally developed systems. Our personnel are trained in using the ANI listings supplied in these files and the rules under which compensation has been paid under both first SBR and last SBR rules. Since CGI has served in both capacities over the last several years, we have had the responsibility of remitting some compensation to our off-net providers and some compensation directly to PSP's that have phones in our serving areas. Under the new scenario, our existing systems will continue as established, with the incorporation of off-net provided calls as well and the termination of compensation to these off-net providers. The output of this quarterly process provides electronic invoices and detailed call information that is provided to our Accounting department for payment and mailing to the respective PSPs/Clearinghouses.

Lists supplied by the various PSPs are compared to the completed CDR files noted above; matches are flagged to be paid. The PSPs provide a list of their payphone ANIs that

belong to them and were active in a particular quarter. In the event of an NPA split, they are to provide the ANI on both sides of the split to cover delays in EO conversion.

**2. CGI has a person or persons with responsibility for tracking, compensating, reporting and resolving disputes concerning payphone completed calls**

Rob McKnight, Vice President of Operations – 601-326-4891 - primary architect of CGI's processes

James Moffat, Executive Vice President– 601-326-4880 - accounting oversight, disputes

Tennie McGuire – Billing Services Coordinator – 601-326-4816 - actual operations of systems

Michael Bland – Lead Programmer – 601-326-4849 - software enhancements

Tennie keeps a folder with all diskettes received from PSPs; should a dispute arise, CGI creates a folder with relevant correspondence that is retained in the executive area. James Moffat, Rob McKnight and Chris Chellette (President of CGI) have authority to settle disputes.

**3. CGI has effective data monitoring procedures**

The two processes described above offer two reports that insure validity of our calls being compensated correctly. The first details call counts by calendar day for the month being processed, and these numbers are compared with previous months to review average counts for business day and non-business day traffic counts. Further, CGI maintains all CDR call records (complete and incomplete) for three years on permanent optical storage.

The quarterly process provides a historical tracking database of compensation paid for each quarters ANI submissions, with adequate summary reporting. The CDRs are tagged with an internal coding that indicates which PSP received compensation for each call in the file, and this code is checked to assure duplicate payments are not issued on particular calls. Since these records are maintained in detail, customized reporting to facilitate dispute resolution is available when necessary. Fraud detection will be addressed by call count by ANI reporting and working with the toll-free customer in the event of high-volume ANI detection.

**4. CGI adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone compensation call tracking ability**

Since the source of our payphone compensation information is directly from records produced by our switches, this process remains unaffected by modifications or enhancements to our retail wholesale billing systems. Changes to the actual switch loads that produce these records go through rigorous testing during the upgrade process from both the switch vendor as well as our acceptance processing for a software load upgrade. Our personnel are cross-trained, and both the lead programmer and the VP-Operations are able to process these applications should the need arise. The VP-Operations is intimately

involved in the daily operations of the systems and will approve any changes to same that might adversely affect the payphone compensation system.

**5. CGI has created a compensable payphone call file by matching CDRs against payphone identifiers**

Our database of payphone calls that is created maintains the date, time, originating ANI, infodigits received, and originating Trunk Group information along with CGI's CDR record source as recorded in our switches. Additional fields to track the PSP compensated, and the quarter in which the call was compensated, are loaded when the call is matched against PSP ANI lists.

**6. CGI has developed procedures to incorporate call data into required reports**

CGI will provide the call record information described above in a data file along with the invoice. We currently provide this information via diskette, and we are exploring options of providing this via a secure FTP site as well.

The lists of payphone owners and ANIs are created using each PSP's diskette-based "invoice" as provided quarterly to CGI.

The processes described above outputs an invoice sheet with total calls, monies due along and with the PSP mailing address. These are provided to our accounting department along with the diskette, and compensation is paid in our subsequent Accounts Payable run.

**7. CGI has implemented procedures and controls needed to resolve payphone compensation disputes**

CGI maintains these records for three years and will work with PSPs to resolve disputes as they are raised. James Moffat is our primary dispute contact, and will be provided with all documentation necessary to resolve any disputes as they arise.

**8. CGI has designed and implemented a payphone call tracking system that can be tested by an independent third-party auditor as regards critical controls and procedures to enable the auditor to conclude that CGI has complied with the FCC rules in all material respects**

The call tracking system is designed so that the auditor can determine proper infodigits (if used) were captured; that dial-around calls are properly captured; that incomplete calls are not captured; that switch data is generally populated into payphone compensation file accurately; and that commissioned calls are excluded.